

# TRANSPORTATION REPORT

## NEWS FLASH – Afternoon Update



From: Terry Whiteside

Date: June 6, 2011 Afternoon Update

### **SCHEDULED MARKUP ON S.158 - RAILROAD REFORM BILL TO INCREASE RAIL COMPETITION AND REAUTHORIZE THE STB HAS BEEN POSTPONED BUT SHOULD OCCUR IN THE VERY NEAR FUTURE.**

The Bill known as the Surface Transportation Board Reauthorization Act of 2011 was scheduled to be marked up in the Senate Commerce Committee by Chairman Rockefeller and Ranking Member Hutchison on Wednesday, June 8, 2011. Sources on the Committee indicate that the Committee has also scheduled a Communications Bill that has over 95 amendments during the same markup and will take up a lengthy amount of time - therefore the decision to consider S.158 in the near future.

As a reminder the legislation will:

- Increase rail competition by requiring major railroads to quote “bottleneck rates,” setting standards for “reciprocal switching” and “terminal access” rates,
- creating a process for parties to challenge “paper barriers,” and
- increasing Surface Transportation Board (STB) scrutiny of future railroad mergers for competitive, service, and environmental effects;

- Strengthen STB oversight of the railroad industry by updating the rail transportation policy, giving the Board independent investigative authority, and
- creating a strong rail customer advocate to help resolve shippers' concerns; and
- Improve shippers' access to regulatory relief by improving the processes by which rate complaints are resolved,
- requiring railroads to provide service standards to shippers,
- requiring the STB to review current class exemptions for unregulated railroad traffic, and
- by setting lower fees for filing complaints at the STB.

## **THE ALIGNED CAPTIVE SHIPPERS ORGANIZATIONS HAVE ISSUED A “LOGO” LETTER.**

This letter will serve as a platform to educate the members of the Senate and House about the history, the objectives and the benefits behind S.158.

We have also in addition to imbedding the logo letter, we have also attached it in PDF file to enable everyone to send it on to their Representatives.



June 6, 2011

Dear Mr. Chairman and Ranking Member Hutchison:

We are writing you in support of S.158, the Surface Transportation Board Reauthorization Act of 2011, which we understand may be considered by the Committee on June 8<sup>th</sup>. We appreciate your leadership in developing this legislation in the last Congress and moving it forward again in this Congress.

As you know, S.158 is identical in all relevant respects to S.2889, the Surface Transportation Board Reauthorization Act of 2009. That legislation was developed by the Democratic and Republican leadership of your Committee through a process involving the rail customer community and the nation's freight railroads. S.2889 was ordered reported by the Committee by a voice vote, without objection, on December 17, 2009. While the freight rail community did not oppose the legislation during Committee consideration of the legislation, we understand that railroad opposition to S.2889 surfaced shortly after December 17, 2009.

S.158 expands the membership of the Surface Transportation Board from three to five; authorizes expanded financial resources for the Board; clarifies that the Board has the authority to act on its own motion when the Board finds unreasonable rail practices that need to be addressed; and removes some of the current regulatory barriers to rail-torail competition in the national freight rail system. We support S.158 as introduced and oppose any weakening amendments that may be offered either during Committee consideration or in negotiations after the bill is reported by the Committee.

S.158 does not re-regulate the major freight railroads; S.158 does not require prior approval by the Board of any action that does not require prior approval today; and S.158 does not expand the universe of rail rates that are subject to regulatory challenge. Rather, S.158 is deregulatory and pro-competitive. S.158 ensures that our national freight rail system will include rail-to-rail competition, where possible.

Sincerely,

Alliance for Rail Competition  
American Chemistry Council  
American Coalition for Ethanol  
American Forest & Paper Association  
American Public Power Association  
Basin Electric Power Cooperative  
Central Iowa Power Cooperative  
CoBank  
Consumer Federation of America  
Consumers United for Rail Equity  
East River Electric Power Cooperative  
Edison Electric Institute  
Electric Cooperatives of Arkansas  
Grand Canyon State Electric  
Cooperative Association  
Heartland Consumers Power District  
Institute of Scrap Recycling Industries  
Iowa Association of Electric  
Cooperatives  
Manufacture Alabama

Missouri River Energy Service  
Minnesota Grain and Feed Association  
Minnesota Rural Electric Association  
National Association of Regulatory  
Utility Commissioners  
National Association of State Utility  
Advocates  
National Association of Wheat Growers  
National Farmers Union  
National Grain and Feed Association  
National Industrial Transportation  
League  
National Rural Electric Cooperative  
Association  
North Carolina Electric Membership  
Corporation  
Nucor Corporation  
Portland Cement Association  
Texas Municipal Power Agency  
Washington State Potato Commission

Members, Senate Commerce, Science and Transportation Committee